



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2004
OF THE CONDITION AND AFFAIRS OF THE

Grand Valley Health Plan

NAIC Group Code	0000	0000	NAIC Company Code	95453	Employer's ID Number	38-2396958
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [X] No []					
Date Incorporated	12/03/1981		Commenced Business	02/05/1982		
Statutory Home Office	829 Forest Hills Ave SE			Grand Rapids, MI 49546		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	829 Forest Hills Ave		Grand Rapids, MI 49546	616-949-2410-119		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	829 Forest Hills Ave SE			Grand Rapids, MI 49546		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	829 Forest Hills Ave		Grand Rapids, MI 49546	616-949-2410-116		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Website Address	gvhp.com					
Statutory Statement Contact	LYNN FEHRLE			616-949-2410-116		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	fehrler@gvhp.com			616-949-9948		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	829 Forest Hills Ave SE		Grand Rapids, MI 49546	616-949-2410		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Roland Palmer	President	Thomas Schouten	Secretary
Craig Thompson	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Roland E Palmer	Thomas W Schouten	James T Kerby	Lucille I Grimm
Craig Thompson	Pamela L Silva	John B Miller	Herbert A Start
Kathy L Lentz			

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Subscribed and sworn to before me this
20 day of 8, 2004

Ruth Ann Klinger,
05/08/2008

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number
2. Date filed 08/20/2004
3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	1,327,234	61,407	1,265,827	1,267,854
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$5,310,666), cash equivalents (\$0) and short-term investments (\$1,029,473)	6,340,139		6,340,139	4,952,081
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets	738,347	0	738,347	762,387
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	8,405,720	61,407	8,344,313	6,982,322
11. Investment income due and accrued			0	0
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	454,273		454,273	261,602
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)			0	0
12.3 Accrued retrospective premiums			0	0
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers	287,132		287,132	586,799
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon	681,926	499,920	182,006	182,006
15.2 Net deferred tax asset	(133,996)	(133,996)	0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software	156,162	18,074	138,088	276,665
18. Furniture and equipment, including health care delivery assets (\$)	223,028		223,028	0
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates	718,562		718,562	386,326
21. Health care (\$) and other amounts receivable	92,409	90,537	1,872	6,754
22. Other assets nonadmitted	80,093	80,093	0	0
23. Aggregate write-ins for other than invested assets	517,199	0	517,199	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	11,482,508	616,035	10,866,473	8,682,474
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	11,482,508	616,035	10,866,473	8,682,474
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Pharmacy Inventory.....	398,437		398,437	0
2302. OTC.....	47,762		47,762	0
2303. A/R Other.....	71,000		71,000	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	517,199	0	517,199	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	4,218,494		4,218,494	4,101,344
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	23,300		23,300	23,300
4. Aggregate health policy reserves	0		0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	691,847		691,847	137,290
9. General expenses due or accrued	1,505,797		1,505,797	1,132,464
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	125,694		125,694	0
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	6,565,132	0	6,565,132	5,394,398
23. Common capital stock	XXX	XXX	312,996	312,996
24. Preferred capital stock	XXX	XXX		0
25. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,873
26. Surplus notes	XXX	XXX	500,000	500,000
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	2,275,472	1,732,879
29. Less treasury stock, at cost:				
29.1 shares common (value included in Line 23) \$)	XXX	XXX		0
29.2 shares preferred (value included in Line 24) \$)	XXX	XXX		0
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	4,301,341	3,758,748
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	10,866,473	9,153,146
DETAILS OF WRITE-INS				
2101. Malpractice Insurance Tail.....			0	0
2102. Capital Lease.....			0	0
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2701.	XXX	XXX		0
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	109,870	115,432
2. Net premium income (including non-health premium income).....	XXX	22,624,953	21,036,080
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX	216,047	280,598
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	670,609	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	23,511,609	21,316,678
Hospital and Medical:			
9. Hospital/medical benefits	1,502,024	15,159,986	14,493,751
10. Other professional services	473,475	1,551,760	1,264,009
11. Outside referrals			0
12. Emergency room and out-of-area	41,287	393,561	379,425
13. Prescription drugs		3,798,550	2,792,074
14. Aggregate write-ins for other hospital and medical.....	10,495	107,744	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	2,027,281	21,011,601	18,929,259
Less:			
17. Net reinsurance recoveries		189,706	263,210
18. Total hospital and medical (Lines 16 minus 17)	2,027,281	20,821,895	18,666,049
19. Non-health claims			0
20. Claims adjustment expenses, including \$ cost containment expenses.....		142,930	145,255
21. General administrative expenses.....		2,388,438	2,220,520
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	2,027,281	23,353,263	21,031,824
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	158,346	284,854
25. Net investment income earned		242,348	95,712
26. Net realized capital gains (losses)			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	242,348	95,712
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	400,694	380,566
31. Federal and foreign income taxes incurred	XXX	133,996	86,507
32. Net income (loss) (Lines 30 minus 31)	XXX	266,698	294,059
DETAILS OF WRITE-INS			
0601. Co-payments.....	XXX	670,609	0
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	670,609	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical Expenses.....	10,495	107,744	0
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	10,495	107,744	0
2901. Misc income.....			0
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting year.....	3,758,752	1,986,371
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	266,698	473,483
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Net unrealized capital gains and losses		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	377,070	(43,925)
39. Change in nonadmitted assets	(101,176)	1,342,823
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock		0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in		0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in		0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	542,592	1,772,381
49. Capital and surplus end of reporting period (Line 33 plus 48)	4,301,344	3,758,752
DETAILS OF WRITE-INS		
4701. Adj for surplus increase.....		0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	22,648,329	43,284,188
2. Net investment income	242,348	209,922
3. Miscellaneous income	670,609	1,266,747
4. Total (Lines 1 to 3)	23,561,286	44,760,857
5. Benefits and loss related payments	20,405,078	38,454,163
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,603,478	4,573,181
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	133,996	440,806
10. Total (Lines 5 through 9)	22,142,552	43,468,150
11. Net cash from operations (Line 4 minus Line 10)	1,418,734	1,292,707
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	148,754
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	26,067	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	26,067	148,754
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	26,067	148,754
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(56,743)	1,396,381
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(56,743)	1,396,381
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Lines 15 and 17)	1,388,058	2,837,842
19. Cash and short-term investments:		
19.1 Beginning of period	4,952,081	2,114,239
19.2 End of period (Line 18 plus Line 19.1)	6,340,139	4,952,081

STATEMENT AS OF JUNE 30, 2004 OF THE Grand Valley Health Plan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	18,597	209	16,727	.0	.0	.0	1,661	.0	.0	.0	.0	.0	.0
2 First Quarter	18,275	212	16,215	.0	.0	.0	1,848	.0	.0	.0	.0	.0	.0
3 Second Quarter	18,240	220	16,206				1,814						
4. Third Quarter .....	.0												
5. Current Year	0												
6 Current Year Member Months	109,870	1,296	96,867				11,707						
Total Member Ambulatory Encounters for Period:													
7. Physician	7,670	.90	6,763				.817						
8. Non-Physician	37,369	441	32,946				3,982						
9. Total	45,039	531	39,709	0	0	0	4,799	0	0	0	0	0	0
10. Hospital Patient Days Incurred	2,181	26	1,923				232						
11. Number of Inpatient Admissions	485	6	427				52						
12. Health Premiums Written	22,959,964	270,830	20,242,676				2,446,458						
13. Life Premiums Direct.....	.0												
14. Property/Casualty Premiums Written .....	.0												
15. Health Premiums Earned	22,624,953	144,640	21,017,511				1,462,802						
16. Property/Casualty Premiums Earned .....	.0												
17. Amount Paid for Provision of Health Care Services	20,894,449	246,466	18,421,613				2,226,370						
18. Amount Incurred for Provision of Health Care Services	21,011,601	247,848	18,524,900				2,238,853						

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0199999 Individually Listed Claims Unpaid	0	0	0	0	0	0
0299999 Aggregate Accounts Not Individually Listed-Uncovered	544	225	159	180	4,125	5,233
0399999 Aggregate Accounts Not Individually Listed-Covered	1,041,400	425,846	84,570	87,075	89,782	1,728,673
0499999 Subtotals	1,041,944	426,071	84,729	87,255	93,907	1,733,906
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	2,484,588
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	4,218,494
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	3,053,282	15,434,696	604,683	3,164,317	3,657,965	3,725,227
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan	364,137	1,840,755	72,115	377,379	436,252	364,242
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid .....					.0	.0
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	3,417,419	17,275,451	676,798	3,541,696	4,094,217	4,089,469
10. Other non-health .....					.0	.0
11. Medical incentive pools and bonus amounts .....					.0	.0
12. Totals	3,417,419	17,275,451	676,798	3,541,696	4,094,217	4,089,469

NOTES TO FINANCIAL STATEMENTS

SECOND QUARTER OF 2004 FOR GRAND VALLEY HEALTH PLAN

Notes to the Financial Statements

Note One: Summary of Significant Accounting Principles

No significant changes.

Note Two: Accounting Changes and Corrections of Errors

None to report.

Note Three: Business Combinations and Goodwill

None to report.

Note Four: Discontinued Operations

None to report.

Note Five: Investments

None to report.

Note 6: Joint Ventures, Partnerships and Limited Liability Corporations

No significant changes.

Note 7: Investment Income

The amount accrued for investment income due and accrued was \$0 at June 30, 2004.

Note 8: Derivatives

None to report.

Note 9: Income Taxes

Grand Valley Health Plan holds an admitted deferred tax asset for \$346,982 as shown on the balance sheet generated primarily from a net operating loss carry forward that will expire in year 2020. The asset was calculated by taking capital and surplus at 12/31/03 (\$3,758,748) less EDP equipment included therein (\$288,927) times 10%. The provision for current income tax expense is 34% of income before tax.

Note 10: Information concerning Parent, Subsidiary and Affiliates

The nature of the relationships;

Grand Valley Health Plan is a wholly owned subsidiary of Grand Valley Health Corporation and under agreement pays GVHC for management services. Grand Valley Health Plan expensed \$412,000 in the six month period ended 6/30/04 primarily for the Chief Executive Officer and staff, Chief Financial Officer and staff, and the Corporate Human Resources Department.

Grand Valley Health Facilities is a wholly owned subsidiary of Grand Valley Health Corporation, and manages buildings utilized by Grand Valley Health Plan. Grand Valley Health Plan pays Grand Valley Health Facilities for rental and other facility related expense reimbursements. Grand Valley Health Plan expensed approximately \$996,000 during the six month period ended 6/30/04 from Grand Valley Health Facilities.

Grand Valley Health Management is a wholly owned subsidiary of Grand Valley Health Corporation. Grand Valley Health Plan under agreement charged Grand Valley Health Management for administrative and pharmacy services. During the six month period ended 6/30/04 Grand Valley Health Plan charged Grand Valley Health Management approximately \$4,000 under this agreement.

Grand Valley Surgery Center is partially owned by Grand Valley Health Management (54%) and Grand Valley Health Corporation (1%). The Grand Valley Surgery Center charges Grand Valley Health Plan for ambulatory surgical services. During the six month period ended 6/30/04 these charges totalled approximately \$694,000.

NOTES TO FINANCIAL STATEMENTS

Grand Valley Technology Services is 52% owned by Grand Valley Health Corporation and 48% by other investors. Grand Valley Technology Services provides technology solutions to Grand Valley Health Plan for its insurance and medical management practices. During the six month period ended 6/30/04 Grand Valley Technology Services under agreement charged Grand Valley Health Plan approximately \$605,000 for technology services.

All of the above relationships are based upon arms length transactions. In addition, any Grand Valley company may occasionally pay general accounts payables where a portion of the expense is appropriately charged to one of the other members of the holding company. Such charges are then approved and settled by the corresponding entity typically within 30 days. At 6/30/04 receivables from and payables to affiliates totalled \$718,562 and \$125,694 respectively, net as follows: Grand Valley Health Corporation - \$264,675, Grand Valley Health Management \$219,897, Grand Valley Health Facilities \$113,592 and Grand Valley Technology Services (\$5,296).

Note 11 Debt

None to report.

Note 12 Retirement Plans, Deferred Compensation, Post Employment Benefits, Compensated Absences and Other Post Retirement Plans.

No significant changes.

Note 13 Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganization

The change in surplus funds since 12/31/03 of approximately \$543,000 was generated by net income of approximately \$266,000 and the change in non-admitted assets of approximately \$276,000. There were no other significant changes.

Note 14 Contingencies:

None to report.

Note 15 Leases

Operating Leases: The Company leases health centers, medical facilities, and an administrative office various entities, which are considered related parties.

The noncancelable leases contain various renewal options subject to increases in the monthly rental payments. Lease terms expire at various dates through 2008. The leases require the company to pay all utilities, maintenance and taxes.

Total expenses including utilities, maintenance, and taxes amounted to approximately \$996,000 in the quarter ended March 31, 2004.

Note 16 Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk.

None to report.

Note 17 Sales, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None to report.

Note 18 Gain or Loss to the Reporting Entity From Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

None to report.

Note 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None to report.

Note 20 September 11 Events

None to report.

Note 21 Other Items

None to Report.

Note 22 Events Subsequent

NOTES TO FINANCIAL STATEMENTS

At December 31, 2003 there were two disputed out of area hospitalization cases that were fully reserved at both 12/31/03 and 3/31/04. Settlement on one of these two cases has now been finalized. There were no other Type I or Type II subsequent events.

Note 23 Reinsurance

No significant changes.

Note 24 Retrospectively Rated Contracts and Contracts Subject to Redetermination

None to report.

Note 25 Change in Incurred Claims and Claim Adjustment Expenses

No significant changes.

Note 26 Intecompany Pooling Arrangements

None to report.

Note 27 Structured Settlements

None to report.

Note 28 Health Care Receivables

None to report.

Note 29 Participating Policies

None to report.

Note 30 Premium Deficiency Reserves

None to report.

Note 31 Anticipated Salvage and Subrogation

None to report.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes ☐ No ☒
- 1.2

If yes, explain:
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 3.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐

If yes, attach an explanation.
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2001
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2001
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/16/2003
- 7.4

By what department or departments?
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 8.2

If yes, give full information:
- 9.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES
INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
10.2 If yes, explain:
.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:\$0

13. Amount of real estate and mortgages held in short-term investments:\$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No []

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Statement Value	Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-term Investments	\$	\$
14.25 Mortgages, Loans or Real Estate	\$	\$
14.26 All Other	\$762,387	\$738,347
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$762,387	\$738,347
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No []

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X]

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address

SCHEDULE A - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,317,872	1,346,668
2. Increase (decrease) by adjustment	9,362	(28,796)
3. Cost of acquired		0
4. Cost of additions to and permanent improvements		0
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	1,327,234	1,317,872
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	1,327,234	1,317,872
11. Total nonadmitted amounts	61,407	50,014
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	1,265,827	1,267,858

SCHEDULE B – VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees.....		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment.....		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	762,387	762,387
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions	(24,040)	0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment.....		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	738,347	762,387
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	738,347	762,387
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	738,347	762,387

SCHEDULE D - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	0
2. Cost of bonds and stocks acquired		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal		0
7. Consideration for bonds and stocks disposed of		0
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value	0	0

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 .....	.0				.0	.0	.0	.0
2. Class 2 .....	.0				.0	.0	.0	.0
3. Class 3 .....	.0				.0	.0	.0	.0
4. Class 4 .....	.0				.0	.0	.0	.0
5. Class 5 .....	.0				.0	.0	.0	.0
6. Class 6	0				0	0	0	0
7. Total Bonds	0	0	0	0	0	0	0	0
PREFERRED STOCK								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	0	0	0	0	0	0	0	0

NONE

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	1,029,473	XXX			

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,028,940	1,017,803
2. Cost of short-term investments acquired .....		.0
3. Increase (decrease) by adjustment .....	.533	11,137
4. Increase (decrease) by foreign exchange adjustment .....		.0
5. Total profit (loss) on disposal of short-term investments .....		.0
6. Consideration received on disposal of short-term investments .....		.0
7. Book/adjusted carrying value, current period	1,029,473	1,028,940
8. Total valuation allowance .....		.0
9. Subtotal (Lines 7 plus 8)	1,029,473	1,028,940
10. Total nonadmitted amounts .....		.0
11. Statement value (Lines 9 minus 10)	1,029,473	1,028,940
12. Income collected during period .....		.0
13. Income earned during period		0

SCHEDULE DB - PART F- SECTION 1

Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
1	2	3	4	5	Derivative Instruments Open		Cash Instrument(s) Held				
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	6	7	8	9	10	11	12
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description
					NONE						
9999999 Totals					XXX		XXX	XXX			XXX

SCHEDULE DB - PART F - SECTION 2

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory	0	0			0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

NONE

STATEMENT AS OF JUNE 30, 2004 OF THE Grand Valley Health Plan

SCHEDULE S—CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

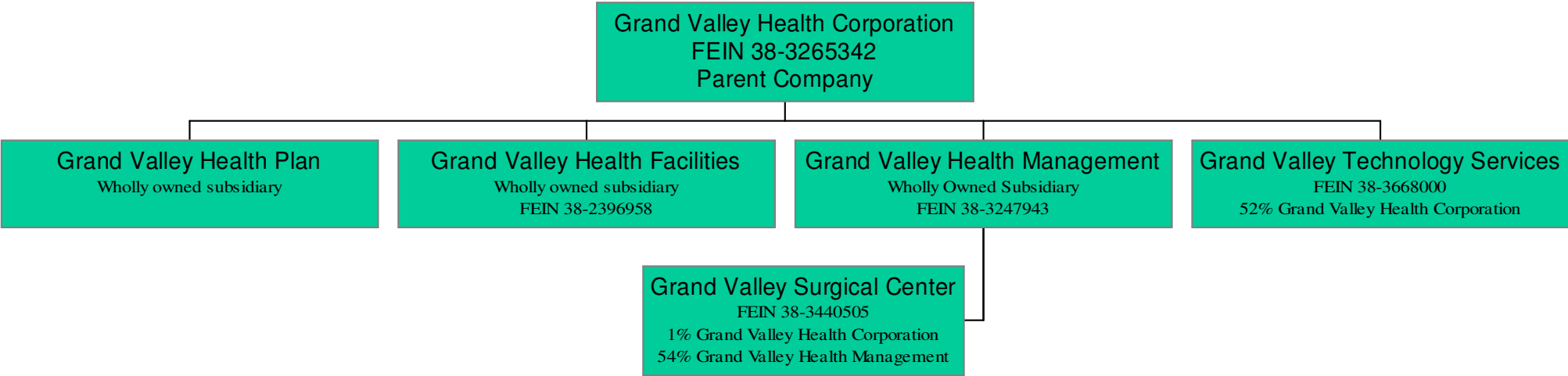
Allocated by States and Territories

States, Etc.		1	2	Direct Business Only Year-to-Date					
		Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefit Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/Casualty Premiums
1. Alabama	AL								
2. Alaska	AK								
3. Arizona	AZ								
4. Arkansas	AR								
5. California	CA								
6. Colorado	CO								
7. Connecticut	CT								
8. Delaware	DE								
9. District of Columbia	DC								
10. Florida	FL								
11. Georgia	GA								
12. Hawaii	HI								
13. Idaho	ID								
14. Illinois	IL								
15. Indiana	IN								
16. Iowa	IA								
17. Kansas	KS								
18. Kentucky	KY								
19. Louisiana	LA								
20. Maine	ME								
21. Maryland	MD								
22. Massachusetts	MA								
23. Michigan	MI	No	Yes	20,513,506			2,446,458		
24. Minnesota	MN								
25. Mississippi	MS								
26. Missouri	MO								
27. Montana	MT								
28. Nebraska	NE								
29. Nevada	NV								
30. New Hampshire	NH								
31. New Jersey	NJ								
32. New Mexico	NM								
33. New York	NY								
34. North Carolina	NC								
35. North Dakota	ND								
36. Ohio	OH								
37. Oklahoma	OK								
38. Oregon	OR								
39. Pennsylvania	PA								
40. Rhode Island	RI								
41. South Carolina	SC								
42. South Dakota	SD								
43. Tennessee	TN								
44. Texas	TX								
45. Utah	UT								
46. Vermont	VT								
47. Virginia	VA								
48. Washington	WA								
49. West Virginia	WV								
50. Wisconsin	WI								
51. Wyoming	WY								
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. U.S. Virgin Islands	VI								
56. Canada	CN								
57. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0	0
58. Total (Direct Business)		XXX	(a) 1	20,513,506	0	0	2,446,458	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798. Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)				0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Grand Valley Health Corporation



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on “NONE” report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2004 OF THE Grand Valley Health Plan

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED During the Current Quarter								
1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						
				NONE				
9999999 - Totals								

SCHEDULE A - PART 3

Showing All Real Estate SOLD during the Current Quarter, including Payments during the Final Year on "Sales under Contract"															
1	Location		4	5	6	7	8	9	10	11	12	13	14	15	16
	2	3													
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/ Adjusted Carrying Value Less Encumbrances	Amounts Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred

EO2

NONE

NONE

NONE

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter												
1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	City	State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale
NONE												
9999999 Totals												

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 Number of Units and Description	Location		4 Name of Vendor	5 Date Acquired	6 Actual Cost	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Increase (Decrease) by Adjustment	10 Increase (Decrease) by Foreign Exchange Adjustment
	2 City	3 State							
			NONE						
9999999 Totals									

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6 Book/ Adjusted Carrying Value Less Encum- brances, Prior Year	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Book/ Adjusted Carrying Value Less Encum- brances at Disposition	10 Consideration Received	11 Foreign Exchange Profit (Loss) on Sale	12 Realized Profit (Loss) on Sale	13 Total Profit (Loss) on Sale
	2	3										
Number of Units and Description	City	State	Name of Purchaser or Nature of Disposition	Date Acquired								
			NONE									
9999999 Totals												

STATEMENT AS OF JUNE 30, 2004 OF THE Grand Valley Health Plan

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
NONE									
7499999 - Totals						0	XXX	0	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E04

SCHEDULE D - PART 4

NONE

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income
					NONE								
2599999 - Subtotal - Hedging Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis	Other Investment/ Miscellaneous Income
					NONE								
2599999 - Subtotal - Hedging Transactions								XXX					
2699999 - Subtotal - Income Generation Transactions								XXX					
2799999 - Subtotal - Other Derivative Transactions								XXX					
9999999 - Totals								XXX					

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
NONE														
2599999 - Subtotal - Hedging Transactions								xxx						
2799999 - Subtotal - Other Derivative Transactions								xxx						
9999999 - Totals								xxx						

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts Open at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
NONE												
2599999 - Subtotal - Hedging Transactions						xxx	xxx					
2799999 - Subtotal - Other Derivative Transactions						xxx	xxx					
9999999 - Totals						xxx	xxx					

STATEMENT AS OF JUNE 30, 2004 OF THE Grand Valley Health Plan

SCHEDULE E - PART 1 - CASH

[illegible]